

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Industrial Promotion – Extension of special package of incentives under Mega project concept of Industrial Investment Promotion Policy (IIPP) 2010-15 to M/s Indian Tobacco Company Limited for their expansion project for manufacturing of Paper / Paper Boards at Bhadrachalam, Sarapaka, Khammam District –Orders- Issued.

INDUSTRIES & COMMERCE (IP) DEPARTMENT

G.O.Ms.No. 80

Dated:24.05.2014
Read the following:

1. From M/s Indian Tobacco Company Limited, Letter dt. 01.03.2013.
2. The State Investment Promotion Committee Meeting held on 22.08.2013
3. The State Investment Promotion Board Meeting held on 18.01.2014

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ORDER:-

In the reference 1st read above, M/s. Indian Tobacco Company Limited has informed that they proposed to expand the existing capacity for manufacturing of Paper/Paper Boards from 3,57,500 to 4,57,500 MTPA at Bhadrachalam Sarapaka, Khammam District with captive cogeneration plant. The investment of the expansion project is Rs.828 Cr with an employment potential of 150 persons directly and 275 indirectly.

2. M/s. Indian Tobacco Company Limited has requested the Government for the following Incentives/ benefits:

- (a) 100% of Reimbursement of VAT and CST for a period of 15 years.
- (b) Entitlement to avail VAT credit for the coal purchased for internal consumption.
- (c) 50% subsidy on the expenses incurred on Infrastructure Assistance under IIDF limited to Rs.1.00 Crore
- (d) Fixed power cost reimbursement @ Rs.0.75 per unit for 5 years from the date of commencement of commercial production and 75% reimbursement of the cost of internal power generation for a period of 15 years.
- (e) Allotment of degraded waste lands to the Company to meet its raw material requirement on a sustainable and continuous basis.

3. In the reference 2nd read above, the State Investment Promotion Committee (SIPC) have discussed the expansion proposal of M/s.Indian Tobacco Company Limited at Bhadrachalam in Khammam District and recommended the following incentives under IIPP 2010-15:

- (a) 50% net VAT/CST reimbursement for a period of 5 years from the date of commencement of commercial production, over and above base production.
- (b) All other incentives as per IIPP 2010-15 policy.

4. In the reference 3rd read above, the State Investment Promotion Board (SIPB) has discussed the proposal in detail and decided to extend the following incentives:

- (a) 50% net VAT/CST reimbursement for a period of 5 years from the date of commencement of commercial production, over and above base production.
- (b) All other incentives as per IIPP 2010-15 policy.

5. Government after careful examination of the proposal and the recommendations of the State Investment Promotion Board, hereby extend the following incentives to M/s. Indian Tobacco Limited at Bhadrachalam in Khammam District for their expansion project for manufacturing of Paper / Paper Boards, under Industrial Investment Promotion Policy 2010-2015:

- (a) 50% net VAT/CST reimbursement for a period of 5 years from the Date of commencement of Commercial Production (DCP), over and above the base production, as per expansion criteria of IIPP 2010-15 policy.

(b) All other incentives as per IIPP 2010-15 policy, which include:

- (i) 100% reimbursement of Stamp duty and transfer duty paid by the industry on purchase of land meant for industrial use.
- (ii) 100% reimbursement of Stamp duty for Lease of Land/Shed/buildings and also mortgages and Hypothecations.
- (iii) Fixed power cost reimbursement @ Rs.0.75 per unit (upper ceiling) on the rates (2010-11) for 5 years from the date of commencement of commercial production. In case, decrease in Power Tariff, the reimbursement will be reduced proportionately.
- (iv) 25% subsidy on specific cleaner production measures limited to Rs.5.00 Lakhs.

6. The Commissioner of Industries, Hyderabad shall take necessary action, accordingly and intimate the status of the progress of work done by the unit from time to time to Government.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**K. PRADEEP CHANDRA,
SPECIAL CHIEF SECRETARY TO GOVERNMENT AND
COMMISSIONER FOR INDUSTRIAL PROMOTION**

To

The Commissioner of Industries, A.P., Hyderabad.

M/s. Indian Tobacco Company Limited Hyderabad, through the Commissioner of Industries, AP, Hyd.

Copy to:

The Revenue (CT) Department.

The Revenue (Registration) Department.

The Energy Department.

The Irrigation (Reforms) Dept.

The Law(J) Department

The Accountant General, Andhra Pradesh, Hyderabad

The Commissioner of Commercial Taxes, Hyderabad

The Chairman & Managing Director, APTRANSCO., Hyderabad

The Managing Director, APNPDC Ltd., Hanamkonda, Warangal.

The Vice Chairman & Managing Director, APIIC, Hyderabad.

The District Collector, Khammam District.

The General Manager, DIC, Khammam District.

P.S. to Principal Secretary to Chief Minister

P.S. to Hon'ble Minister(Major Industries)

P.S. to Chief Secretary to Government

P.S. to Spl. Chief Secretary to Government & CIP, Ind & Com Dept.

SC/SF

//FORWARDED: BY ORDER//

SECTION OFFICER